GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5430
ANSWERED ON:22.12.2000
INTEREST ON FIXED DEPOSITS
RAGHUNATH JHA

Will the Minister of FINANCE be pleased to state:

(a) whether all commercial banks are advised to pay interest at a rate equal to fixed deposit for the period of delay beyond 10/14 days in collection of outstation cheques besides banks to pay penal interest @ 2% for delay in collection of outstation instrumentsl

(b) if so, whether majority of the banks are not following these Guidelines and also customers are not aware of such instructions to banks; and

(c) if so, whether there is any proposal to issue directions to banks to notify such guidelines in main customers and to take action against the guidelines in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) : Yes, Sir.

(b) : The Reserve Bank of India has reported that as per the guidelines issued to the banks interest is required to be paid by them without the customers having to claim it. The banks have included this facility as one of the items of services in their respective Citizens` Charter for information of their customers.